

## Message Text

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61  
ACTION EB-07

INFO OCT-01 ISO-00 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00

FRB-01 H-01 INR-07 INT-05 L-02 LAB-04 NSAE-00 NSC-05

PA-01 RSC-01 AID-05 CIEP-01 SS-15 STR-01 TAR-01

TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 FEA-01 IO-10

AF-06 ARA-06 EA-06 EUR-12 NEA-09 OIC-02 /126 W

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R 141710Z JAN 75  
FM USMISSION GENEVA  
TO SECSTATE WASHDC 9970  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY BRASILIA  
AMEMBASSY BUCHAREST  
AMEMBASSY CANBERRA  
AMEMBASSY CARACAS  
AMEMBASSY COPENHAGEN  
AMEMBASSY JAKARTA  
AMEMBASSY DUBLIN  
AMEMBASSY THE HAGUE  
AMEMBASSY ISLAMABAD  
AMEMBASSY LIMA  
UDTC/AMEMBASSY LONDON 6303  
AMEMBASSY LUXEMBOURG  
AMEMBASSY MANILA  
AMEMBASSY MEXICO CITY  
AMEMBASSY NEW DELHI  
AMEMBASSY OSLO  
AMEMBASSY OTTAWA  
AMEMBASSY PARIS  
AMEMBASSY QUITO  
AMEMBASSY ROME  
AMEMBASSY SANTIAGO  
AMEMBASSY SINGAPORE  
AMEMBASSY TOKYO  
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AMEMBASSY WELLINGTON

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PASS STR (MALMGREN) (EBERLE)

E.O. 11652: N/A

TAGS: ETRD GATT

SUBJECT: BRIEFING ON TRADE ACT

1. SUMMARY: BROAD REPRESENTATION FROM MEMBERSHIP OF GATT, UNCTAD, ECE ATTENDED BRIEFING BY WOLFF, STR GENERAL COUNSEL, ACCOMPANIED BY BRUNGART AND MOORE, AND HOSTED BY GATT DG LONG. QUESTIONS CENTERED ON US NEGOTIATING OBJECTIVES, TIMING AND COVERAGE OF U.S. GENERALIZED PREFERENCES SCHEME (GSP), AND EXTENT TO WHICH TRADE BILL MANDATED DEPARTURES FROM MFN PRINCIPLE. IN PRIVATE CONVERSATIONS SERIOUS CONCERN WAS EXPRESSED THAT LACK OF EXPARIENTED U.S. LEADERSHIP IN MTN POSES MAJOR THREAT TO PROGRESS.

2. TWO HOUR SESSION COVERED FULL RANGE OF TRADE ACT ISSUES. AFTER EXPLORING U.S. PRE-NEGOTIATION PROCEDURES AND TIMING, QUESTIONERS EXAMINED LIST OF SPECIFIC NEGOTIATING OBJECTIVES IN LAW. SPECIFIC ATTENTION PAID TO SECTION 103 AND LINK BETWEEN INDUSTRIAL AND AGRICULTURAL NEGOTIATION. CONGRESSIONAL INTENT EXPLAINED AS AVOIDING EXCLUSION OF AGRICULTURE FROM MTN ACHIEVEMENTS.

3. CONCERN ALSO EXPRESSED IN ASPECTS OF BILL TAKEN AS MANDATING BILATERAL APPROACH (SECTIONS 105 AND 126). THIS WAS EXPLAINED AS EXPRESSION OF CONCERN THAT MTN HAVE RECIPROCAL AND MUTUAL COMMITMENT FROM MAJOR PARTICIPANTS, WITH THE RECOGNITION THAT U.S. HAD LEGAL AUTHORITY FOR BILATERAL AGREEMENTS IF THIS COURSE BECAME NECESSARY.

4. LIST OF 12 NEGOTIATING DIRECTIVES IN SECTION 121 ATTRACTED ATTENTION AND WAS READ BY SOME DELEGATES AS EXCLUSIVE LIST OF SPECIFIC U.S. OBJECTIVES IN MTN. ANSWER PLACED SECTION 121  
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IN CONTEXT OF GENERAL PURPOSES OF TRADE ACT AND NEGOTIATING OBJECTIVES CONTAINED IN CHAPTER 1 OF TITLE I OF TRADE ACT. SECTOR NEGOTIATING OBJECTIVE WAS READ BY MANY DELAGATES AS MORE ALONG LINES OF INFLEXIBLE HOUSE VERSION THAN AS IT EMERGED FROM THE SENATE. IT WAS EXPLAINED THAT SECTION 104 WAS FULLY CONSISTENT WITH TOKYO DECLARATION LANGUAGE OF USE OF SECTOR NEGOTIATIONS AS COMPLEMENTARY TECHNIQUE. POTENTIAL LINK BETWEEN MARKET

ACCESS AND SUPPLY ACCESS IN NEGOTIATIONS ALSO FOCUS OF ATTENTION.

5. MOST DETAILED QUESTIONING AIMED AT OPERATION OF GSP AND ESPECIALLY SELECTION OF BENEFICIARY DEVELOPING COUNTRIES (BDC'S). VENEZUELAN REPRESENTATIVE MADE EXTENDED BUT SURPRISINGLY PRO FORMA DECLAMATION OF GOV POSITION THAT OPEC EXCLUSION WAS UNACCEPTABLE DISCRIMINATION. AFTER EXPLANATION GIVEN THAT GSP EXCLUSIONS NOT TOTALLY WITHOUT FLEXIBILITY, AND EXCERPT FROM PRESIDENTIAL SIGNING STATEMENT READ, INDONESIANS AND OTHERS EXPRESSED HOPE THAT DISCUSSIONS WITH USG PRIOR TO SUMMER IMPLEMENTATION OF US GSP COULD LEAD TO THEIR INCLUSION IN BDC LIST. EXPROPRIATION AND ARBITRAL AWARD EXCLUSIONS ALSO QUESTIONED. FURTHER SPECIFIC GUIDANCE FROM WASHINGTON ON POTENTIAL APPLICATION OF THESE PROVISIONS WOULD BE USEFUL.

6. MANY ENGAGING MISCONSTRUCTIONS OF OPERATION OF GSP WERE AIRED AND CORRECTED, SUCH AS TRADE COMMISSION'S GSP HEARINGS BEING AN INFRINGEMENT OF BDC SOVEREIGNTY (NIGERIA). CRITICISM WAS VOICED OF CUSTOMS UNION TREATMENT UNDER COMPETITIVE NEED FORMULA.

7. ONLY TITLE IV QUESTION WAS POSED BY ROMANIA AND CONCERNED TIMING OF MFN TREATMENT ONCE BILATERAL AGREEMENT NEGOTIATED.

8. PRINCIPAL TOPIC IN PRIVATE CONVERSATION IS TRADE POLICY LEADERSHIP IN USG. SUBSTANTIAL NUMBER OF REPRESENTATIVES EXPRESSED DEEP CONCERN THAT ABSENCE OF RANKING AND EXPERIENCED U.S. TRADE OFFICIALS WOULD LEAVE MTN TO DRIFT AND BE DAMAGING TO EVEN LIMITED LIMITED OFFICIAL USE

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PROGRESS IN MTN TO DATE.

9. THERE IS ALSO AN IMPRESSION GAINED BY THE DURATION OF THE TRADE ACT AUTHORITIES THAT NEGOTIATIONS WOULD COVER NEXT FIVE YEARS. US DEL AT 7 PLUS 7'S AND TNC SHOULD INDICATE U.S. THINKING ON TIMING. DALE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE LAW, LAW, GENERALIZED PREFERENCES (TARIFFS), MEETINGS, TRADE AGREEMENTS, NEGOTIATIONS, TRADE ORGANIZATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975GENEVA00167  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750017-1063, D750015-0157  
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**Line Count:** 161  
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**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16 APR 2003 by MartinML>; APPROVED <17 APR 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BRIEFING ON TRADE ACT  
**TAGS:** ETRD, US, GATT, UNCTAD, ECE, STR, (WOLFF), (BRUNGART), (MOORE), (LONG)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006